

THE COMPUTER PARTNERSHIP LIMITED

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 1999**

REGISTRAR'S COPY

Company Number: 2172055



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Directors

Chairman

M C Clark
R A Potten
T N Tribe
N H Ward
P A R Hall

Company Secretary

R A Potten

**Business Address and
Registered Office**

Berwick House
8 - 10 Knoll Rise
Orpington
Kent BR6 0EJ

Bankers

National Westminster Bank plc

Auditors

Littlejohn Frazer
Chartered Accountants
and Registered Auditors
1 Park Place
Canary Wharf
London E14 4HJ

The Directors have pleasure in presenting their Report together with the Accounts for the year ended 31 March 1999.

Activities

The Company's principal activity during the year was the provision of computer consultancy.

Results and Dividends

The profit for the year before taxation amounted to £306,354 (1998 profit - £270,246). The taxation charge was £67,568 (1998 charge - £59,035) leaving a profit after taxation of £238,786 (1997 profit - £211,211).

The Directors do not recommend the payment of a dividend.

Review of the Business

The Directors are of the opinion that the state of the Company's affairs at 31 March 1999 was satisfactory and has continued to be so since that date.

Directors and their Interests in Shares

The Directors during the year and their interests in the share capital of the Company were as follows:

	At 31 March 1999 Ordinary shares	At 1 April 1998 Ordinary shares
M C Clark	500	500
R A Potten	284	284
T N Tribe	98	98
N H Ward	98	98
P A R Hall	-	-

P A R Hall was appointed a Director on 25 June 1998.

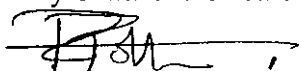
Year 2000 and Euro Compliance

The Directors do not foresee any problems for the Company being caused by the Year 2000 computer compliance issue or by the introduction to the Euro.

Auditors

A resolution proposing the reappointment of Littlejohn Frazer as the Company's auditors will be put to the Annual General Meeting.

By Order of the Board



R A Potten

Secretary

20th December 1999

To the Shareholders of The Computer Partnership Limited

We have audited the Accounts on pages 5 to 11 which have been prepared under the Accounting Policies set out on page 7.

Respective Responsibilities of Directors and Auditors

As described on page 7 the Company's Directors are responsible for the preparation of Accounts. It is our responsibility to form an independent opinion, based on our audit of those Accounts and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Accounts. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Accounts and of whether the Accounting Policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the Accounts.

Opinion

In our opinion the Accounts give a true and fair view of the state of the Company's affairs as at 31 March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Littlejohn Frazer

Chartered Accountants
and Registered Auditors

1 Park Place
Canary Wharf
London E14 4HJ

30 OCTOBER 1999

THE COMPUTER PARTNERSHIP LIMITED**PROFIT AND LOSS ACCOUNT**
Year ended 31 March 1999

	Note	1999	1998
Turnover	1	1,763,955	1,263,110
Cost of sales		761,207	576,994
		<hr/>	<hr/>
Gross Profit		1,002,748	686,116
Administrative expenses		718,106	423,142
		<hr/>	<hr/>
Operating Profit	2	284,642	262,974
Interest receivable	4	21,712	7,272
		<hr/>	<hr/>
Profit on Ordinary Activities before Taxation		306,354	270,246
Tax on profit on ordinary activities	5	67,568	59,035
		<hr/>	<hr/>
Profit on Ordinary Activities after Taxation		238,786	211,211
Retained Profit brought forward		316,270	255,059
Purchase of own shares		-	(150,000)
		<hr/>	<hr/>
Retained Profit carried forward		£555,056	£316,270
		<hr/>	<hr/>

All turnover is from continuing operations.

The Company had no recognised gains or losses other than the profit on ordinary activities after taxation stated above.

The Accounting Policies and Notes on pages 7 to 11 form part of these Accounts.

THE COMPUTER PARTNERSHIP LIMITED

BALANCE SHEET
At 31 March 1999

	Note	1999	1998
Fixed Assets			
Tangible assets	6	214,273	84,106
Current Assets			
Debtors	7	306,922	232,654
Cash at bank and in hand		209,561	311,711
		<u>516,483</u>	<u>544,365</u>
Creditors: due within one year	8	160,107	308,792
		<u> </u>	<u> </u>
Net Current Assets		356,376	235,573
		<u> </u>	<u> </u>
Total Assets less Current Liabilities		570,649	319,679
		<u> </u>	<u> </u>
Provision for Liabilities and Charges			
Deferred Taxation	9	14,593	2,409
		<u> </u>	<u> </u>
		£556,056	£317,270
		<u> </u>	<u> </u>
Capital and Reserves			
Called-up share capital	10	500	500
Capital Redemption Reserve	11	500	500
Profit and Loss Account		555,056	316,270
		<u> </u>	<u> </u>
		£556,056	£317,270
		<u> </u>	<u> </u>

Approved by the Board on 20th December 1999.

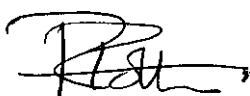
M C Clark



)

) Directors

R A Potten



)

The Accounting Policies and Notes on pages 7 to 11 form part of these Accounts.

Statement of Directors' Responsibilities

Company law requires the Directors to prepare Accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those Accounts the Directors are required to:

- select suitable Accounting Policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the Accounts;
- prepare the Accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Accounting Policies selected are set out below.

Accounting Policies

Basis of Accounting

The Accounts are prepared under the historical cost basis of accounting and comply with applicable Accounting Standards.

Turnover

Turnover represents the invoiced amount of services provided (excluding Value Added Tax) during the year.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset, less any estimated residual value, evenly over its expected useful life. The expected useful lives of the principal categories are:

Computer equipment	- over 4 years
Fixtures, fittings and other equipment	- over 10 years

Leasing Commitments

Rentals paid under operating leases are charged to income as incurred.

Deferred Taxation

Deferred Taxation is provided at anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Provision is made to the extent that it is likely that the liability will crystallise in the foreseeable future.

Pension Contributions

The Company operates a defined contribution pension scheme for certain employees. The funds of the scheme are administered by the trustees and are separate from the Company. Contributions are paid by the Company only and the pension charge represents contributions payable by the Company for the year. The Company's liability is limited to the amounts of the contributions.

1. Turnover	1999	1998
Turnover by geographical market is:		
United Kingdom	1,145,168	1,206,790
Europe	618,787	56,320
	<hr/>	<hr/>
	£1,763,955	£1,263,110
	<hr/>	<hr/>
 2. Operating Profit		
This is stated after charging:		
Auditors' remuneration	£ 1,800	£ 1,700
Depreciation	£ 32,960	£ 24,096
Rentals under operating leases	£ 10,000	£ 10,000
Loss on disposal of fixed assets	£ 19,200	£ -
	<hr/>	<hr/>
 3. Employees		
Staff Costs (including Directors)		
Wages and salaries	891,947	591,348
Social security costs	88,782	59,192
Pension contributions	73,280	45,400
	<hr/>	<hr/>
	£1,054,009	£695,940
	<hr/>	<hr/>
 Average number of employees during the year	No.	No.
Consultancy	16	12
Office and management	9	6
	<hr/>	<hr/>
	25	18
	<hr/>	<hr/>
 Directors' Emoluments		
Aggregate emoluments	331,675	184,519
Company pension contributions to money purchase schemes	56,164	41,150
Sums paid to third parties for Directors' services	-	6,576
	<hr/>	<hr/>
	£387,839	£232,265
	<hr/>	<hr/>

Retirement benefits are accruing to four Directors under money purchase pension schemes.

3. Employees	1999	1998
Highest paid Director:		
Aggregate emoluments	102,103	87,900
Company pension contributions to money purchase scheme	15,896	18,250
	<hr/>	<hr/>
	£117,999	£106,150
	<hr/>	<hr/>
4. Interest Receivable		
Bank deposit interest	£21,712	£7,272
	<hr/>	<hr/>
5. Taxation		
Corporation Tax at 21% (1998 - 21%)	56,545	56,400
Deferred Taxation at 21% (1998 - 21%)	12,184	1,848
Over/(under)provision in prior years	(1,161)	787
	<hr/>	<hr/>
	£67,568	£59,035
	<hr/>	<hr/>
6. Tangible Fixed Assets		Furniture, fittings and equipment
Cost		
At 1 April 1998		168,559
Additions		196,327
Disposals		(86,639)
		<hr/>
At 31 March 1999		278,247
		<hr/>
Depreciation		
At 1 April 1998		84,453
Charge for the year		32,960
Disposals		(53,439)
		<hr/>
At 31 March 1999		63,974
		<hr/>
Net Book Value		
At 31 March 1999		£214,273
		<hr/>
At 31 March 1998		£84,106
		<hr/>

7. Debtors	1999	1998
Trade debtors	256,806	226,757
Other debtors	25,208	3,800
Prepayments	24,908	2,097
	<hr/>	<hr/>
	£306,922	£232,654
	<hr/>	<hr/>

Included in other debtors is an amount of £7,200 (1998 - £3,000) due after more than one year.

8. Creditors: amounts falling due within one year

Trade creditors	28,431	69,913
Corporation tax	55,417	57,191
Other taxes and social security costs	65,844	84,613
Accruals and deferred income	10,415	97,075
	<hr/>	<hr/>
	£160,107	£308,792
	<hr/>	<hr/>

9. Deferred Taxation	1999	1998	1999	1998
			Provision	Full potential liability
Deferred Taxation provided and the potential liability, including the amounts for which provision has been made, are as follows:				
Capital allowances in advance of depreciation	£14,593	£2,409	£14,593	£2,409
	<hr/>	<hr/>	<hr/>	<hr/>

10. Called-up Share Capital	1999	1998	1999	1998
			Authorised	Allotted, called-up and fully paid
Ordinary shares of £1 each	£1,000	£1,000	£500	£500
	<hr/>	<hr/>	<hr/>	<hr/>

On 9 September 1997, the Company issued 382 ordinary shares of £1 each, with an aggregate nominal value of £382, nil paid. On 30 November 1997, a further 98 ordinary shares of £1 each, with an aggregate nominal value of £98 were issued nil paid. Cash calls will be made at a further date.

11. Capital Redemption Reserve	1999	1998
Arising on company purchase of own shares	£500	£500
	<hr/>	<hr/>

12. Reconciliation of Movement in Shareholders' Funds

	1999	1998
Profit for the financial year	238,786	211,211
	<hr/>	<hr/>
	238,786	211,211
Purchase of own shares	-	(150,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	238,786	61,211
Opening shareholders' funds	317,270	256,059
	<hr/>	<hr/>
Closing shareholders' funds	£556,056	£317,270
	<hr/>	<hr/>

13. Obligations under Operating Leases

The minimum lease payments to which the Company is committed under non-cancellable operating leases for the coming year are as follows:

	Land and Buildings	
	1999	1998
On leases expiring:		
Between two and five years	-	10,000
Over five years	49,070	-
	<hr/>	<hr/>
	£49,070	£10,000
	<hr/>	<hr/>

14. Capital Commitments

There were no capital commitments at 31 March 1999 (1998 - None).

15. Contingent Liabilities

There were no contingent liabilities at 31 March 1999 (1998 - None).

16. Related Parties

There were no related parties at 31 March 1999 (1998 - None).